8 December 2015

LOAN FACILITY AGREEMENT

between

[MEMBER STATE]

as Lender

and

[[NAME OF NATIONAL RESOLUTION FUND]

as Resolution Fund] [1]

and

THE SINGLE RESOLUTION BOARD

as Borrower

[TEMPLATE DOCUMENT- FOR ALL MEMBER STATES]

___ […] 2015

Note to "OPTION 2" references:

Member States may choose not to have the provisions on national approval and staggered payments included in their respective facility agreement. In such cases, all references to national approval and staggered payments (Clause 5.4.3) will be deleted and a commitment fee of 10 bps introduced. All relevant adaptations required for such purposes are contained between square brackets and referenced in footnotes as "OPTION 2".

[1] If different from the National Resolution Fund, entity to be specified by the Lender.

THIS AGREEMENT (the "**Agreement**") is made by and between:

(1) [**MEMBER STATE**] represented by […] (hereinafter referred to as the "**Lender**");

(2) [NAME OF NATIONAL RESOLUTION FUND] represented by […] (hereinafter referred to as the "**Resolution Fund**"); and

(3) **THE SINGLE RESOLUTION BOARD**, represented by […] (hereinafter referred to as the "**Borrower**").

PREAMBLE

WHEREAS:

(A) On 18 December 2013, in the context of the discussions on the creation of the Single Resolution Mechanism ("**SRM**"), the Eurogroup and the ECOFIN Ministers adopted a statement on the financing of the Borrower (the "**Statement**"), according to which, in order to ensure sufficient funding in situations when the Single Resolution Fund (the "**SRF**") is not sufficiently funded by the banking sector, especially in the transition period but also in the steady state, Member States participating in the SRM shall put in place a system by which bridge financing would be available as a last resort and in full compliance with State aid rules. In the transition period, bridge financing should be available either from national sources, backed by bank levies, or from the ESM in line with agreed procedures. The arrangements for the transition period should be operational by the time the SRF is established, including the setting up of possibilities for lending between national compartments. The Statement further determines that a common backstop will be developed during the transition period (the "**Common Backstop**"). In any event, the banking sector will ultimately be liable for repayment by means of levies in all participating Member States, including ex-post. These arrangements will be activated through their agreed rules and shall be fiscally neutral over the medium term so that taxpayers will be protected. The arrangements will also ensure equivalent treatment across all Member States participating in the Single Supervisory Mechanism ("**SSM**")/Single Resolution Mechanism ("**SRM**"), including Member States joining at a later stage, in terms of rights and obligations and both in transition period and once a common backstop has become fully operational. They will respect a level playing field with non-participating Member States, take full advantage of synergies with existing frameworks and safeguard the internal market.

(B) Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (the "**SRMR**") established the Borrower and the SRF.

(C) Recital 107 of the SRMR states that ensuring effective and sufficient financing of the SRF is of paramount importance to the credibility of the SRM. The capacity of the Borrower to contract alternative funding means for the SRF should be enhanced in a manner that optimises the cost of funding and preserves the creditworthiness of the SRF. Immediately after the entry into force of the SRMR, the necessary steps should be taken by the Borrower in cooperation with the participating Member States to develop the appropriate methods and modalities permitting the enhancement of the borrowing capacity of the SRF that should be in place by the date of application of the SRMR.

(D) Pursuant to article 67 paragraph 4 of the SRMR, contributions referred to in articles 70 and 71 of the SRMR shall be raised from institutions referred to in article 2 of the SRMR by national resolution authorities and transferred to the SRF in accordance with the intergovernmental agreement on the transfer and mutualisation of contributions to the SRF dated 14 May 2014 (the "**IGA**").

(E) Article 73 of the SRMR provides that the Borrower may contract for the SRF borrowings or other forms of support from those institutions, financial institutions or third parties, which offer better financial terms at the most appropriate time so as to optimise the cost of funding and preserve its reputation in the event that the amounts raised in accordance with articles 70 and 71 of the SRMR are not immediately accessible or do not cover the expenses incurred by the use of the SRF in relation to resolution actions.

(F) Article 74 of the SRMR provides that the Borrower shall contract for the SRF financial arrangements, including, where possible, public financial arrangements regarding the immediate availability of additional means to be used in accordance with the SRMR, where the amounts raised or available under the ex-ante contributions to the SRF set out in article 70 of the SRMR and the ex-post contributions set out in article 71 of the SRMR are not sufficient to meet the Borrower's obligations.

(G) Article 5(1)(e) of the IGA provides that if the financial means referred to in article 5(1)(a) to (c) are not sufficient to cover the costs of a particular resolution action, and as long as extraordinary ex-post contributions referred to in article 5(d) of the IGA are not immediately accessible, including for reasons relating to the stability of the institutions concerned, the Borrower may exercise its power to contract for the SRF borrowings or other forms of support in accordance with Articles 73 and 74 of the SRMR, or its power to

make temporary transfer between compartments in accordance with article 7 of the IGA.

(H) Recital (13) of the IGA acknowledges that there may exist situations where the means available in the SRF are not sufficient to face a particular resolution action and where the ex-post contributions that should be raised in order to cover the necessary additional amounts are not immediately accessible.

(I) Following discussions between Member States and the Borrower, the terms of the Statement referenced in recital (A) hereabove shall be implemented through the availability of loan facilities to be put in place between each Participating Member State and the Borrower on a bilateral basis. For this purpose, the Member States and the Borrower discussed and agreed on a term sheet for national credit lines (the "**Term Sheet**") provided by each Participating Member State to the Borrower, which forms the basis for this Agreement. The contractual documentation for such loan facilities has been discussed between the Member States and the Borrower and is with respect to its substance – except for the Fixed Individual Amount and the provisions on national approval, staggered payments and the commitment fee as set out in recital (J) below – identical for each Participating Member State in order to protect the single character of the SRF. The loan facility agreements entered into in this context by each Participating Member State and the Borrower implement the terms of the Statement and of the Term Sheet and are in compliance with the principles set out therein. If applicable and relevant, the Lender could make the financing under this Agreement available through its Resolution Fund.

(J) It is key for the credibility of the SRM as the second pillar of the banking union to have a firmly committed bridge financing arrangement available to the Borrower. This will ensure the effectiveness of resolution actions and safeguard financial stability within the Member States. The Lender shall make payments under this Arrangement in the amount and at the time as requested by the Borrower in the utilisation request. In order to cater for concerns on the implications of this Agreement in terms of national cash management and upon request of some Member States, Member States are not required to make the loan in full but can choose to make staggered payments, whereby at least a meaningful percentage of the Fixed Individual Amount (being 50 %) would be provided under the first disbursement, followed by a maximum of three subsequent disbursements to be provided thereafter unless exceptional circumstances as defined in this Agreement apply. These conditions are deemed to exist, if the application of the resolution tools under the resolution scheme is necessary in order to avert the immediate default of the institution under resolution and thus avoids spill-over effects. In order to take due account of the funding requirements of the Lender to make loans available under this Agreement, the Borrower commits to setting up an early warning procedure. Furthermore, the procedure for

seeking national approval, where necessary at national level, and the disbursement process are separated by the use of a utilisation pre-notification to allow for a additional preparation time for the Lender, where possible. The utilisation pre-notification shall contain the total amount to be drawn under this Agreement for a given resolution scheme. Where necessary for reasons existing at national level, Member States have been able to choose a procedure taking into account the seeking of national approval and staggered payments. Where the respective loan facility agreement contains the option to use staggered payments and national approval, no commitment fee is payable.

(K) The Lender and the Borrower have agreed to enter into the present Agreement for the purpose of providing bridge financing to the Borrower (as envisaged in the Statement (referenced in recital (A)) with respect to the Lender Compartment for the duration of the Transitional Period. The overall objective of the bridge financing to be provided by the Participating Member States to the Borrower is to cover temporary funding shortfalls in relation to a Resolution Scheme in the Participating Member State concerned after application of the funds available to the Borrower in accordance with its internal procedures as laid out in the SRMR and the terms of the IGA, such temporary shortfall to be covered ultimately (and without prejudice to the specific terms of this Agreement) by the raising of and transfer to the Borrower by the Participating Member State of extra-ordinary ex-post contributions levied from the institutions in the territories of that Participating Member State concerned in accordance with the SRMR and the IGA.

(L) The maximum aggregate amount of financings to be made available to the Borrower by the Participating Member States as set out in Schedule 3 (*Key and Fixed Individual Amount*) shall amount to EUR 55 billion (the "**Fixed Maximum Amount**"). In order to determine the share of each Participating Member State, it was agreed to use for this Agreement the relative size of the Lender Compartment following the estimate of the European Commission as of 27 November 2014 ("option 2b") which shall constitute the allocation key between the Participating Member States (the "**Key**") for determining the Fixed Individual Amount (as set out in Schedule 3).

(M) If the Lender is a euro area Member State and is in a situation where it is unable to comply with a request for a Loan under this Agreement, the Lender may request Stability Support through the ESM by Financial Assistance Instruments which are – subject to the eligibility criteria – available to the ESM members under the ESM Treaty, in order to be able to comply with its obligations to provide bridge financing under this Agreement. If the Lender in such a situation is a Participating Member State outside the euro area, it will have access to the European Union's medium-term facility for Balance of Payment assistance ("**BoP**"), provided that the existing eligibility criteria are met. The economic policy conditionality attached to the macroeconomic adjustment programmes under the BoP facility will be expected to properly reflect the key vulnerabilities of the beneficiary Member State.

(N) According to article 99 paragraph 6 of the SRMR, the full application of the SRMR as of 1 January 2016 depends on the entry into force of the IGA, i.e. on the ratification threshold set out in article 11 of the IGA, which must occur by the end of November 2015.

(O) While loan facility agreements are concluded on the basis of the jointly agreed loan facility form with each Participating Member State as a lender, the execution and entry into force of this Agreement shall not be dependent on the execution and entry into force of loan facility agreements entered into with any other Participating Member State.

NOW, THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

1.1.1 Terms defined in the SRMR and the IGA shall bear the same meaning herein, unless expressly provided to the contrary.

1.1.2 In this Agreement:

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Availability Period**" means the period from and including the date of entry into force of this Agreement to the earlier of (i) the last day of the Transitional Period (included) and (ii) the Common Backstop Date (excluded).

"**Available Amount**" means, with reference to any point in time on which a Utilisation Pre-Notification is made or a Utilisation is proposed to be made (as the case may be), the Fixed Individual Amount, minus:

(a) the Available Funding Capacity;

(b) the amount of any Loans outstanding on the proposed Utilisation Date, other than any Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date; and

(c) the amount of any Loans which may be made in the future pursuant to the terms of any existing Utilisation Pre-Notification.

"**Available Funding Capacity**" means, with respect to each Lender Compartment, the following funding means provided for according to article 5(1) of the IGA (to the exclusion of sub-paragraph 5(1) (d) of the IGA), in the amounts determined by the Borrower in the decision approving the

Resolution Scheme (any financial means having been allocated to prior Resolution Schemes but not yet used being deducted):

(a) the available financial means (being financial means fully available for payment at such point in time) constituted by ex-ante contributions in the Lender Compartment at the date of the decision approving the Resolution Scheme, in accordance with and subject to article 5(1) (a) of the IGA;

(b) the mutualised financial means available in all Compartment(s) at the date of the decision approving the Resolution Scheme, in accordance with and subject to article 5(1) (b) of the IGA;

(c) the remaining financial means in the Compartment(s) of the relevant Contracting Parties) in accordance with and subject to article 5(1) (c) of the IGA;

(d) the External Borrowings or financial means from temporary transfers between Compartments pursuant to article 7 of the IGA in accordance with and subject to article 5(1) (e) of the IGA, subject to any such amounts being effectively received by the Borrower for the Lender Compartment.

"**BRRD**" means directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council.

"**Business Day**" means a day (other than a Saturday or Sunday) which is a TARGET Day on which banks are open for general business in Brussels and in the territory of the Lender, and in case the Lender has requested or receives Stability Support, in Luxembourg.

"**Common Backstop Date**" means the date on which a common backstop enters into force and is fully operational.

"**Compartment**" means a national compartment of the SRF corresponding to a Participating Member State as referred to in article 77 paragraph 2 of the SRMR and article 4 of the IGA.

"**Contracting Parties**" means the contracting parties to the IGA.

"**ESM Treaty**" means the treaty establishing the European Stability Mechanism ("**ESM**") dated 2 February 2012.

["**Exceptional Circumstances**" means the entry into force of a Resolution Scheme, which provides for the application of a resolution tool to an entity, which has been established in the territories of the Lender, in order to avert the immediate default of this entity under resolution and where the application of such resolution tool requires the utilisation of this Facility for an amount of more than 50% of the Fixed Individual Amount.][2]

"**External Borrowings**" means the proceeds of external borrowing of the Borrower (excluding this Facility) in accordance with articles 73 and 74 of the SRMR available for the specific Resolution Scheme.

"**Facility**" means the loan facility to be provided by the Lender to the Borrower in relation to the Lender Compartment under the terms and conditions laid down in this Agreement.

"**Financial Assistance Instrument**" means the instrument pursuant to which Stability Support is provided to an ESM member or to a non-euro area Member State through the BoP facility.

"**Fixed Individual Amount**" means on the date of entry into force of this Agreement, [...] [3], subject to any changes of such amount agreed in accordance with Clause 24 (*Review Clause*) of this Agreement.

"**Funding Rate**" means the actual or estimated funding costs (expressed as an interest rate per annum) of a borrowing by the Lender at the Utilisation Request Date or the date of the Loan Extension Request (in case of a Proposed Extension) for a similar amount and a similar duration (twenty-four (24) or twelve (12) months) as the proposed Utilisation or the Proposed Extension, such funding costs to be determined by the Lender:

(a) unless sub-paragraph (b) applies, on the basis of:

(i) available Market Quotes for a public debt issuance or borrowing in the market by the Lender with respect to the relevant financing periods on the Utilisation Request Date or the date of the Loan Extension Request (in case of a Proposed Extension);

(ii) if no Market Quotes are available with respect to the relevant financing periods for the Lender on the Utilisation Request Date or the date of the Loan Extension Request (in case of a Proposed Extension), but Market Quotes for the relevant financing periods are available over the preceding 6 months

[2] OPTION 2: Definition to be deleted

[3] Fixed Individual Amount as per Schedule 2

for the Lender, the average of the available interest rates (it being understood that if there are several different Market Quotes available at the same date, first the average interest rate for that date must be calculated, which shall be taken into account for calculating the overall average interest rate with Market Quotes available at other dates);

(iii) if Market Quotes are available in the circumstances mentioned under point (i) or point (ii) above, but the Lender is of the view that its actual funding costs are diverging therefrom, the funding costs jointly agreed upon by the Lender and the Borrower resulting from the provided evidence of the Lender's actual funding costs for the relevant financing periods (together with the calculation supporting the determination of the financing costs); if no agreement can be found, the funding costs determined pursuant to either point (i) or (ii) shall apply; or

(iv) if no Market Quotes as envisaged under (i) or (ii) are available, such other conclusive evidence of the Lender's financing costs for the relevant financing periods as the Lender may provide, together with the calculation supporting the determination, to the Borrower in advance of the Utilisation; or

(b) if the Lender is subject to Stability Support, the actual interest rate applicable to the Financial Assistance Instrument for the Lender as set out in the agreements implementing the Stability Support.

"**Loan**" means a loan made or to be made under this Agreement or the principal amount outstanding for the time being of that loan.

"**Loan Maturity Date**" means, subject to the provisions of Clause 6.2 (*Loan Extensions*), the date that is 24 Months after the Utilisation Date.

"**Lender Compartment**" means the Compartment relating to the Lender.

"**Market Quote**" means the composite Bloomberg Bond Trader (CBBT) bid-yield to maturity extracted at 17:30 (CET) on the Utilisation Request Date or the date of the Loan Extension Request (in case of a Proposed Extension).

"**Member State**" means a Member State of the European Union.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day

in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if a period begins on the last Business Day of a calendar month, that period shall end on the last Business Day in the calendar month in which that period is to end.

The above rules will only apply to the last Month of any period.

["**National Approval**" means the approval of the national competent bodies under the legal or constitutional process of the Lender with respect to Loans to be made available under this Agreement.][4]

"**National Resolution Authorities**" has the meaning ascribed to the term "National Resolution Authorities" in the SRMR.

"**Participating Member States**" has the meaning ascribed to the term "participating Member States" in the SRMR.

"**Party**" means a party to this Agreement.

"**Resolution Scheme**" means a "resolution scheme" within the meaning of the SRMR.

"**Stability Support**" means stability support provided to an ESM member by the ESM in accordance with the ESM Treaty, while for Participating Member States, which are not euro area Member States, it means support by the BoP facility of the European Union, provided that the existing eligibility criteria are met.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

"**Total Required Resolution Amount**" means the total funding amount required by the Borrower for the purposes of a Resolution Scheme, as determined by the Borrower in accordance with the SRMR and its internal procedures at the time of the adoption of the Resolution Scheme.

[4] OPTION 2: Definition to be deleted

"**Transitional Period**" means the period starting on the date of entry into force of this Agreement and terminating on the date which is eight years after the date of application of article 77 of the SRMR.

"**Utilisation**" means a utilisation of the Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

"**Utilisation Limit**" means an amount equal to the lower of:

(a) the Available Amount; and

(b) an amount equal to the Total Required Resolution Amount minus the Available Funding Capacity determined for the specific Resolution Scheme for which the Utilisation is to be made, reduced by the amount of any Loans outstanding with respect to the specific Resolution Scheme.

"**Utilisation Pre-Notification**" means a notification substantially in the form set out in Schedule 3 (*Utilisation Pre-Notification*) by which the Borrower gives notice to the Lender of the need to draw under the Facility by one or more Utilisation Requests in an aggregate amount up to the Utilisation Limit at the time of such notification (without prejudice to the provisions of this Agreement) following the entry into force of a Resolution Scheme [and for the purpose of allowing the Lender to obtain National Approvals to the extent required for the full amount indicated therein][5].

"**Utilisation Request**" means a notice substantially in the form set out in Schedule 11 (*Utilisation Request*).

"**Utilisation Request Date**" means the date of a Utilisation Request.

1.2 Construction

(a) Unless a contrary indication appears any reference in this Agreement to:

(i) the "**Lender**", any "**Borrower**" or any "**Party**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under this Agreement;

(ii) "**assets**" includes present and future properties, revenues and rights of every description;

[5] OPTION 2: provision between square brackets to be deleted.

(iii) any agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, replaced or restated;

(iv) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(v) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(vi) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(vii) a provision of law is a reference to that provision as amended or re-enacted; and

(viii) a time of day is a reference to Brussels time.

(b) Section, Clause and Schedule headings are for ease of reference only.

1.3 Currency symbols and definitions

"**€**", "**EUR**" and "**euro**" denote the single currency of the Member States whose derogation has been abrogated by the Council in conformity with article 140 of the Treaty on the Functioning of the European Union.

2. THE FACILITY

Subject to the terms of this Agreement, the Lender makes available to the Borrower an unsecured loan facility in euro in a maximum amount of [AMOUNT], being the Fixed Individual Amount.

3. PURPOSE

The amounts borrowed under this Facility may only be used by the Borrower to cover the funding requirements of Resolution Schemes pursuant to the SRMR and the IGA with respect to the Lender Compartment for institutions authorised in the territories of the Member State where the resolution action takes place.

4. CONDITIONS OF UTILISATION

4.1 The Borrower shall send a Utilisation Pre-Notification to the Lender at the time of entry into force of a Resolution Scheme and provide evidence on the calculation of the amounts set out therein.

4.2 The Borrower is entitled to deliver a Utilisation Request for an amount up to the Utilisation Limit.

4.3 The Borrower may deliver several Utilisation Requests with respect to one specific Resolution Scheme.

4.4 In case the Lender has requested or receives Stability Support for the purpose of providing financing to the Borrower, the Borrower shall send the Utilisation Pre-Notification and any Utilisation Request(s) in copy to the ESM or to the European Commission in case of assistance to a non-euro area Participating Member State benefiting from the BoP assistance. Any other information exchanged by the Parties in relation thereto shall simultaneously be provided to the ESM or to the European Commission by the Party dispatching such information.

5. UTILISATION

5.1 Delivery of a Utilisation Request

5.1.1 The Borrower may utilise the Facility by delivery to the Lender of a duly completed Utilisation Request.

5.1.2 Prior to delivering a Utilisation Request, the Borrower will use its best efforts to provide at the earliest date possible an early notice to the Lender in order to allow the Lender to initiate precautionary measures for a potential Utilisation Request under the Facility.

5.1.3 The Borrower may deliver a Utilisation Request simultaneously with a Utilisation Pre-Notification.

5.2 Completion of a Utilisation Request

5.2.1 Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(a) the proposed Utilisation Date is a Business Day within the Availability Period but not earlier than four (4) Business Days after the receipt of the Utilisation Request;

(b) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*);

(c) the duration of the Loan is for 24 Months;

(d) [the Loan is covered by a National Approval, if relevant, on the proposed Utilisation Date][6]; and

(e) it indicates the Utilisation Limit as determined by the Borrower as of the proposed Utilisation Date and provides evidence about the elements of calculating the Utilisation Limit and confirmation (with supporting evidence) that the amount requested for Utilisation is the amount of financial means required to meet (in whole or in part) the Borrower's funding needs.

5.2.2 [If at the time of making a Utilisation Request the requested Loan is not covered by a National Approval (in particular in case the Utilisation Request is made simultaneously with the Utilisation Pre-Notification in accordance with Clause 5.1.3), the proposed Utilisation Date will be the later of (i) the date indicated as such in the Utilisation Request and (ii) the Business Day following the day on which the National Approval has been obtained.][7]

5.2.3 Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

5.3.1 The currency specified in a Utilisation Request must be euro. On the Borrower's request, the payment obligation resulting therefrom may be settled in the currency of the Lender subject to application of market conversion rates.

5.3.2 The amount of the proposed Loan must be an amount which does not exceed the Utilisation Limit.

5.4 Making of a Loan

5.4.1 If the conditions set out in this Agreement have been met, the Lender shall make the requested Loan to the Borrower in cash at the latest on the Utilisation Date, subject to the second sentence of Clause 12.4.

5.4.2 The Lender must inform the Borrower within three (3) Business Days after the date of the Utilisation Request if it will not be able to make the Loan to the Borrower on the proposed Utilisation Date and indicate the reasons thereof.

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[6] OPTION 2: provision between square brackets to be deleted.

[7] OPTION 2: provision between square brackets to be deleted.

5.4.3 [Except where the Borrower has informed the Lender that Exceptional Circumstances exist at the date of the Utilisation Request, if the Utilisation Date is within nineteen (19) Business Days after the receipt of the Utilisation Pre-Notification and if the amount of the requested Loan exceeds 50% of the Fixed Individual Amount, the Lender shall be entitled, following a prior notice indicating the amounts and the timing of each payment, to make the requested Loan in several payments, as follows: (i) a first payment in an amount at least equal to 50% of the Fixed Individual Amount occurring on the Utilisation Date, and (ii) up to three additional payments each of at least one sixth of the Fixed Individual Amount (unless the amount remaining to be disbursed under the Utilisation Request is with respect to an additional payment less than one sixth of the Fixed Individual Amount, in which case it shall be the amount remaining to be disbursed), the first additional payment occurring not later than five (5) Business Days after the Utilisation Date, the second additional payment occurring not longer than five (5) Business Days after the date of the first additional payment and the third additional payment occurring no longer than five (5) Business Days after the date of the second additional payment.][8]

6. REPAYMENT

6.1 Repayment of Loans

6.1.1 The Borrower shall repay each Loan on the Loan Maturity Date, subject to the right of the Borrower to request loan extensions pursuant to Clause 6.2 (*Loan Extensions*) below.

6.1.2 Repayments shall be made to the account notified by the Lender to the Borrower.

6.2 Loan Extensions

6.2.1 Until the end of the Availability Period, the Borrower may at any time during the period, which starts sixty (60) days prior to the Loan Maturity Date and ends thirty (30) days prior to the Loan Maturity Date, send a written request (a "**Loan Extension Request**") to the Lender with respect to a Loan,

(a) confirming that it is apparent that on the Loan Maturity Date, the Borrower will not have received sufficient ex-post contributions raised from the institutions authorised in the

[8] OPTION 2: provision between square brackets to be deleted.

territories of the Lender in accordance with article 71 of the SRMR to ensure repayment in full of (i) any outstanding External Borrowings made in accordance with articles 73 and 74 of the SRMR (or, in case of a cross-border group, the portion of External Borrowings relating to the Lender Compartment), (ii) any amounts outstanding with respect to the financial means (if any) made available to the Borrower from temporary transfers between Compartments in accordance with article 7 of the IGA, to the extent they relate to the same Resolution Scheme as the relevant Loan to be repaid, and (iii) the Loan for which the Loan Extension Request is made; and

(b) requesting that the Loan Maturity Date for the whole or any part of such Loan be extended by a period of twelve (12) Months (the "**Proposed Extension**").

6.2.2 The Lender shall agree to such Proposed Extension and for that Loan, the Loan Maturity Date shall be extended by a period of twelve (12) Months commencing on the date of the Loan Maturity Date as it existed immediately prior to such extension (the "**Loan Extension**").

6.2.3 Following a first Loan Extension, the Borrower shall have the right to deliver other Loan Extension Requests in compliance with paragraph 6.2.1 (a) and the Lender shall be entitled (but not required) to agree thereto in which case a further Loan Extension will apply in accordance with Clause 6.2.2.

6.2.4 If the Lender has been granted Stability Support, the Loan Extension must not exceed the final maturity date of the Stability Support.

6.2.5 Any Loan Extension Request is irrevocable once delivered.

7. PREPAYMENT

7.1 Voluntary prepayment of Loans

The Borrower may, if it gives the Lender not less than four (4) Business Days' (or such shorter period as the Lender may agree) prior notice, prepay the whole or any part of a Loan (but, if in part, the minimum prepayment amount shall be EUR 1,000,000).

7.2 Restrictions

7.2.1 Any notice of prepayment given by the Borrower under Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant prepayment is to be made and the amount of that prepayment.

7.2.2 Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid. The Borrower shall reimburse, upon request, expenses that the Lender can prove to have incurred in relation with the prepayment.

7.2.3 Unless a contrary indication appears in this Agreement, any part of the Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.

7.2.4 The Borrower shall not repay or prepay all or any part of the Loans made available under this Agreement except at the times and in the manner expressly provided for in this Agreement.

8. INTEREST

8.1 Calculation of interest

8.1.1 The interest on each Loan shall be calculated by the Lender for the duration of the Loan by application of the Funding Rate.

8.1.2 In case of a Loan Extension, the Funding Rate shall be determined at the date of the Loan Extension Request.

8.2 Payment of interest

Accrued interest on a Loan shall be payable at the time of repayment of the Loan at the Loan Maturity Date (without prejudice to any Loan Extension, in which case the interest shall continue to accrue annually at the new Funding Rate and be payable together with the interest accrued up to the initial Loan Maturity Date, at the new Loan Maturity Date).

8.3 Notification of accrued interest

The Lender shall inform the Borrower of the accrued interest at the end of each calendar year, within ninety (90) days of the end of the calendar year.

8.4 Notification of Funding Rate

The Lender shall promptly and no later than on the Utilisation Date (or four (4) Business Days after the date on which the Loan Extension Request has been made, in case of a Loan Extension) notify the Borrower of the Funding Rate relating to a Loan.

9. FEES

[No commitment fee shall be payable by the Borrower to the Lender.][9]

10. REPRESENTATIONS

Each Party makes the representations and warranties set out in this Clause 10 to the other Party on the date of entry into force of this Agreement and on the date of any Utilisation Request.

10.1 Binding obligations

The obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations.

10.2 Non-conflict with other obligations

The entry into force and the transactions contemplated by this Agreement do not and will not conflict with any law or regulation applicable to it.

10.3 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise the entry into force, performance and delivery of this Agreement and the transactions contemplated by this Agreement.

10.4 Validity

All Authorisations required or desirable to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Agreement have been obtained or effected and are in full force and effect.

11. INFORMATION UNDERTAKINGS

The undertakings in this Clause 11 remain in force from the date of entry into force of this Agreement for so long as any amount is outstanding under this Agreement or any commitment is in force.

11.1 Funding needs

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[9] OPTION 2: provision between square brackets to be replaced by

"The Borrower shall pay to the Lender during the Availability Period a commitment fee computed in euro at the rate of 0.1 per cent per annum on the Available Amount.

The accrued commitment fee for each calendar year shall be calculated by the Borrower and be payable within 20 Business Days after the end of such calendar year."

The Borrower shall supply to the Lender within ninety (90) days after the end of each calendar year (i) the Available Funding Capacity and any relevant calculation elements (ii) the outstanding amounts of any Utilisations made under the Facility.

11.2 Lender Adverse Circumstances

The Lender shall inform the Borrower as soon as reasonably possible after becoming aware of any event or circumstance that would prevent it from performing its obligations (or compromise performance thereof) under this Agreement.

11.3 Information Sharing with the ESM and the European Commission

Where appropriate and necessary, and without prejudice to existing legal requirements on exchange of information in accordance with the provisions of the SRMR, the Lender shall ensure that, in case it has requested or receives Stability Support, any agreement to be entered into in that context shall include a provision allowing the Borrower, the Lender and the ESM or the European Commission to exchange information with respect to this Agreement, a Resolution Scheme, the relevant financial institutions in relation to which resolution measures are being taken, and the position of the Lender and the Borrower.

11.4 Other information undertakings

Without prejudice to existing legal requirements on information sharing in accordance with the provisions of the SRMR, upon request by the Lender, the Borrower and the Lender shall exchange information, where appropriate and necessary, with respect to this Agreement, a Resolution Scheme and the relevant financial institutions in relation to which resolution measures are being taken. For the avoidance of doubt, the effectiveness of a Utilisation Request shall not depend on the exchange of any information other than information expressly required pursuant to Clause 5.2.1 hereof.

12. GENERAL UNDERTAKINGS

The undertakings in this Clause 12 remain in force from the date of entry into force of this Agreement and for so long as any amount is outstanding under this Agreement or any commitment is in force.

12.1 Authorisations

Each Party shall promptly:

12.1.1 obtain, comply with and do all that is necessary to maintain in full force and effect; and

12.1.2 supply certified copies to the other Party of,

any Authorisation required under any law or regulation of its home jurisdiction to enable it to perform its obligations under this Agreement and to ensure the legality, validity, enforceability or admissibility in evidence in its home jurisdiction of this Agreement.

12.2 Compliance with laws

Each Party shall comply in all respects with all laws to which it may be subject.

12.3 Raising contributions

12.3.1 The Borrower commits to calculating extraordinary ex-post contributions in due course in accordance with article 71 of the SRMR and the delegated acts by the European Commission based on article 71 paragraph 3 of the SRMR, where existing.

12.3.2 The Lender commits to transferring extraordinary ex-post contributions in due course in accordance with article 3 of the IGA.

12.4 Stability Support

Where Stability Support is made available to a Member State, account should be taken by that Member State of the nature and purpose of the Stability Support, when assessing whether any of this financing should also be usable in its role as a Lender for the purpose of making loans available to the Borrower under this Agreement. In the case of Stability Support, and only where appropriate and necessary, the Borrower shall procure to be bound by the restrictions on the use of ESM funding as stipulated in the documentation implementing such Stability Support.

12.5 [National Approval

12.5.1 The Lender commits to initiating internal procedures to obtain the required National Approval within three (3) Business Days after the receipt of the Utilisation Pre-Notification.

12.5.2 The Lender must inform the Borrower within three (3) Business Days after the receipt of the Utilisation Pre-Notification together with a reasoned explanation if it will not to be able to make the Loans to the Borrower.][10]

12.6 Early warning procedure

[10] OPTION 2: provision between square brackets to be deleted.

The Borrower will set up an early warning procedure to provide the Lender with an early notice at the earliest date possible pursuant to Clause 4.1 and 5.1.2.

12.7 Funding requirements of the Lender [and Exceptional Circumstances][11]

12.7.1 When delivering a Utilisation Request and where appropriate and possible under a Resolution Scheme, the Borrower shall duly take into account the funding requirements of the Lender at that point in time.

12.7.2 [Where the Borrower informs the Lender about Exceptional Circumstances pursuant to Clause 5.4.3, the Borrower shall provide appropriate evidence to the Lender that such circumstances exist.][12]

13. CHANGES TO THE PARTIES

Save for Clause 19 (*Security over Lender's rights*), no Party may assign any of its rights or transfer any of its rights or obligations under this Agreement without the consent of the other.

14. PAYMENT MECHANICS

14.1 Payments to the Lender

Payment shall be made to such account and with such bank as the Lender, in each case, specifies.

14.2 Payments to the Borrower

On each date on which this Agreement requires an amount to be paid by the Lender, the Lender shall make the same available to the Borrower in such funds and to such account with such bank as the Borrower shall, in each case, specify from time to time.

14.3 No set-off

All payments to be made under this Agreement shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

14.4 Business Days

Any payment under this Agreement which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same

[11] OPTION 2: provision between square brackets to be deleted.

[12] OPTION 2: provision between square brackets to be deleted.

calendar month (if there is one) or the preceding Business Day (if there is not).

14.5 Currency of account

Euro is the currency of account and payment for any sum due from the Borrower under this Agreement, except where pursuant to Clause 5.3.1. hereof, disbursement has been made in the local currency (other than Euro) of the Lender in which case any payments in relation thereto shall be made in such currency.

15. **NOTICES**

15.1 Communications in writing

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or letter.

15.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is:

(a) in the case of the Borrower, that identified with its name below; and

(b) in the case of the Lender, that identified with its name below,

or any substitute address, fax number or department or officer as the Party may notify to the Lender (or the Lender may notify to the other Parties, if a change is made by the Lender) by not less than five Business Days' notice.

15.3 Delivery

15.3.1 Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

(a) if by way of fax, when received in legible form; or

(b) if by way of letter, when it has been left at the relevant address or four Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 15.2 (*Addresses*), if addressed to that department or officer.

15.3.2 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with the Lender's signature below (or any substitute department or officer as the Lender shall specify for this purpose).

15.3.3 Any communication or document which becomes effective, in accordance with paragraphs 15.3.1 to 15.3.3 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

15.4 Electronic communication

15.4.1 Any communication to be made between any two Parties under or in connection with this Agreement may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:

(i) agree as to a method of encryption of the electronic communications to be used so as to safeguard the security of communications;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

15.4.2 Any such electronic communication as specified in paragraph 15.4.1 above to be made between the Borrower and the Lender may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.

15.4.3 Any such electronic communication as specified in paragraph 15.4.1 above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by the Borrower to the Lender only if it is addressed in such a manner as the Lender shall specify for this purpose.

15.4.4 Any electronic communication which becomes effective, in accordance with paragraph 15.4.3 above, after 5:00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

15.4.5 Any reference in this Agreement to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 15.4.

15.5 English language

15.5.1 Any notice given under or in connection with this Agreement must be in English.

15.5.2 All other documents provided under or in connection with this Agreement must be:

(a) in English; or

(b) if not in English, and if so required by the Borrower or Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

16. CALCULATIONS

16.1 Day count convention

Any interest, commission or fee accruing under this Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days.

17. CONFIDENTIAL INFORMATION

The Parties acknowledge that information made available to them in the context of this Agreement, considered as confidential under national or European legislation (notably the SRMR with respect to the Borrower), will be treated in accordance with the requirements of such legislation, without prejudice (to the extent legally permitted) to provisions on disclosure and sharing of information specifically provided for under this Agreement.

18. DISCLOSURE BY THE BORROWER

The Lender [and the Resolution Fund[13]] acknowledge[s] that the Borrower shall be able to disclose information regarding the Lender or this Agreement or any transactions made hereunder or matters relating hereto in accordance with the provisions of the SRMR, without prejudice (to the extent legally permitted) to provisions on exchange of information specifically provided for under this Agreement.

19. SECURITY OVER LENDER'S RIGHTS

In case Stability Support is granted to the Lender and notwithstanding Clause 13 (*Changes to the Parties*), the Lender may pledge or create any other form of security in or over all or any of its rights and claims under this Agreement to secure obligations of the Lender vis-à-vis the ESM under the Financial Assistance Instrument, except that no such security shall:

(i) release the Lender from any of its obligations under this Agreement or substitute the beneficiary of the relevant security for the Lender as a party to this Agreement;

(ii) require any payments to be made by the Borrower other than, or grant to any person any more extensive rights, than those required to be made or granted to the Lender under this Agreement; or

(iii) interfere with the operation of this Agreement and the exercise of the rights and obligations of the Parties hereunder.

20. PARTIAL INVALIDITY

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired. The Agreement shall, however, thereafter be amended by the Parties in such a reasonable manner so as to achieve, without illegality, the intention of the Parties with respect to the illegal, invalid or unenforceable provision.

21. AMENDMENTS AND WAIVERS

Notwithstanding Clause 24 (*Review Clause*), any individual term of this Agreement may be amended or waived in written form with the consent of

[13] If different from the National Resolution Fund, entity to be specified by the Lender

each Party and any such amendment or waiver will be binding on all Parties. None of the aforementioned amendments shall change the substance of this Agreement compared to loan facility agreements entered into with other Participating Member States.

22. EXECUTION OF THE AGREEMENT

This Agreement may be executed in any number of counterparts signed by one or more of the Parties. The counterparts form an integral part of the original Agreement and the signature of the counterparts shall have the same effect as if the signatures on the counterparts were on a single copy of the Agreement.

23. GOVERNING LAW AND JURISDICTION

23.1 This Agreement shall be governed by and shall be construed in accordance with Luxembourg law.

23.2 The Parties undertake to submit any dispute which may arise relating to the legality, validity, interpretation or performance of this Agreement to the exclusive jurisdiction of the General Court of the European Union, and in the case of appeal, the Court of Justice of the European Union.

23.3 Judgments of the Court of Justice of the European Union shall be fully binding on and enforceable by the Parties.

24. REVIEW CLAUSE

24.1 General review

If all Participating Member States agree to proceed to the review of their respective loan facility agreements, the Parties shall proceed to a review of this Agreement as part of a common process with all other Participating Member States. As part of the review, the Borrower and the Lender shall assess the need for amendments. Such a review will occur at the latest at the Common Backstop Date.

24.2 Specific review

In the absence of any review under Clause 24.1, a specific review of the Key, and the maximum aggregate amount made available by all Participating Member States under their respective loan facility agreements shall occur at the latest by the end of 2017, and in any case if a Member State not referred to in Schedule 3 (*Key and Fixed Individual Amount*) becomes a Participating Member State.

25. [RESOLUTION FUND[14]

25.1 The Lender shall be entitled to request the Resolution Fund to make any Loan required to be made hereunder and the making of such Loan by the Resolution Fund shall be a valid discharge of the Lender's obligations in respect of the making of such Loan.

25.2 In case the Loan has been made by the Resolution Fund, all applicable provisions of this Agreement shall be construed as if the term "Lender" referred to the Resolution Fund in its capacity as lender for the relevant Loan. For the avoidance of doubt, the calculation of the Funding Rate shall refer only to the Lender.

25.3 The Lender shall be jointly and severally liable for any obligations of the Resolution Fund pursuant to this Agreement and shall in particular be jointly and severally liable for the making of Loans and the granting of Loan Extensions as provided for herein.]

26. ENTRY INTO FORCE

This Agreement shall enter into force on the date on which:

(a) the Lender has signed and ratified the IGA;

(b) the Lender has implemented the BRRD into national legislation; and

(c) the SRMR has become fully applicable and the conditions set out in article 99 paragraph 6 thereof have been met.

On such date, this Agreement shall enter into effect and be binding on and between the Parties hereto.

[14] If different from the National Resolution Fund, entity to be specified by the Lender

Done in Brussels on __

[**LENDER**]

____

[NAME OF NATIONAL RESOLUTION FUND]

____

THE SINGLE RESOLUTION BOARD

____

SCHEDULE 1
UTILISATION REQUEST

From: [*Borrower*]

To: [*Lender*]

Dated:

Dear Sirs,

[Borrower] – [•] [Facility] Agreement
dated [•] (the "Agreement")

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date:	[•] (or, if that is not a Business Day, the next Business Day)
Currency of Loan:	EUR
Amount:	[•]

3. This Utilisation Request relates to the Utilisation Pre-Notification sent on […] with respect to the Resolution Scheme relating to [*insert institution(s)*].
4. We have determined the Utilisation Limit as of the proposed Utilisation Date to be equal to […] and attach evidence about the elements of calculating such amount. We confirm that the amount requested herein is the amount required to meet (in whole or in part) our funding needs in respect of the Resolution Scheme concerning [*insert institution(s)*] and attach supporting evidence hereto [including, where applicable, on the existence of Exceptional Circumstances][15].
5. The proceeds of this Loan should be credited to [*account*].
6. This Utilisation Request is irrevocable.

Yours faithfully

....
authorised signatory for and on behalf of
[*name of Borrower*]

[15] OPTION 2: provision between square brackets to be deleted.

SCHEDULE 2
KEY AND FIXED INDIVIDUAL AMOUNT

MS	**Fixed Individual Amount**	**Key for each MS (in %)**
AT	1,573,000,000	2.86%
BE	1,870,000,000	3.40%
CY	110,000,000	0.20%
DE	15,158,000,000	27.56%
EE	22,000,000	0.04%
ES	5,291,000,000	9.62%
FI	1,083.500,000	1.97%
FR	15,284,500,000	27.79%
EL	621,500,000	1.13%
IE	1,815,000,000	3.30%
IT	5,753,000,000	10.46%
LT	33,000,000	0.06%
LU	1,083,500,000	1.97%
LV	38,500,000	0.07%
MT	66,000,000	0.12%
NL	4,163,500,000	7.57%
PT	852,500,000	1.55%
SI	71,500,000	0.13%
SK	110,000,000	0.20%
TOTAL	**55,000,000,000**	**100.00%**

SCHEDULE 3
UTILISATION PRE-NOTIFICATION

From: [*Borrower*]

To: [*Lender*]

Dated:

Dear Sirs

[Borrower] – [•] [Facility] Agreement
dated [•] (the "Agreement")

1. We refer to the Agreement. This is a Utilisation Pre-Notification. Terms defined in the Agreement have the same meaning in this Utilisation Pre-Notification.

2. We hereby give you notice that in accordance with the Resolution Scheme relating to [*insert institution*], we have determined that we may make Utilisation(s) under the Facility up to the Utilisation Limit which on the date hereof is […].

3. We attach evidence of the calculation of the Utilisation Limit [and an indicative schedule on the dates and the amounts under the Utilisation Requests to be specified as far as possible].

4. [This Utilisation Pre-Notification is made for the purpose of allowing you to seek National Approval with respect to the abovementioned Utilisations to the extent required.][16]

Yours faithfully

....
authorised signatory for and on behalf of
[*name of Borrower*]

[16] OPTION 2: provision between square brackets to be deleted.